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EYES ONLY

TO: PRESIDENT CARTER
FROM: HAMILTON JORDAN *H.J.*
RE: SITUATION AT GSA

- Ham -*
- a) Get to me the memo Jay sent over recently -*
 - b) Then let's talk -*
 - c) My present inclination is for me to discuss this w/ The Speaker*
 - d) expedite*
- J*

As you requested, I have completed my discussions with Jay Solomon, his prosecutor and Ben Civiletti.

Let me describe the situation as I understand it.

History

As best I can determine, Bob Griffin has been running rings around Jay at GSA since Jay arrived. With close to thirty years of service at GSA, friends who he had placed in key positions, support on the Hill from the Speaker plus the natural advantage any experienced bureaucrat would have over someone coming into government service from the private sector, Bob Griffin has been for

all practical purposes the Administrator of GSA.

I think it is only as a result of the recent investigations that Jay has come to realize the extent and depth of Griffin's influence.

But it must also be said that Jay has not been sufficiently tough in dealing with Griffin. Griffin has pushed him around, and Jay has tolerated it out of respect for the Speaker and Griffin's many contacts on the Hill. It is only the recent investigations and the certainty of your own support that has given Jay the stomach and the courage to proceed along the course that he has embarked.

Bob Griffin

It is easy to paint the picture of Bob Griffin as a devious, disloyal Presidential appointee. He is in fact what our Cabinet members have to fight in most every agency and department, an experienced, savvy bureaucrat who knows the ropes and how to get things done. Griffin's close personal relationship with the Speaker

has only increased his influence and ability to get things done at GSA. During the recent Republican Administrations, it is my understanding that the Republican Administrators have used Griffin's friendship with the Speaker to gain support in the Democratic Congress for their own goals.

There is no evidence to date that Bob Griffin profited personally from any of his activities as a GSA employee. It is fair to say that he engaged in the reward and punishment, rough and tumble politics that is identified with Boston Irish politics. He helped promote his friends in the GSA, worked with members of Congress to obtain GSA contracts and projects and used his personal relationship with the Speaker to serve whatever master and Administration that happen to be in office at any particular time.

The best that can be said for Bob Griffin is that he is an affable, effective, Boston politician and bureaucrat. At the worst, based on information developed to

date by the GSA Special Prosecutor, Bob Griffin has been disloyal in repeated instances to Jay Solomon. The cumulative effect of these allegations against him is that he might someday be prosecuted for a general "abuse of power" charge, but all of the evidence against him at present is circumstantial.

The GSA Investigation

The GSA investigation initiated by Jay Solomon is revealing what has always been suspected: that corruption and graft is widespread and not unusual. According to the GSA Special Prosecutor, the investigation will probably last for several years and will touch many retired GSA employees, some key present employees, certain contractors, vendors and probably a number of politicians.

In some instances, there will be sufficient evidence to prosecute. In other instances where hard evidence is lacking, the GSA Administrator will have to take disciplinary and administrative action.

After Civiletti's meeting with Jay and his prosecutor, I asked Civiletti to assess the quality of their work and investigation to date. He said that Vince was an honest, hardworking and effective prosecutor. He said that he had the typical prosecutor's zeal and mentality ("we are going to put all these bastards in jail"), but probably lacked judgment in dealing with the press and failed to understand the political ramifications of all that he planned to do. Civiletti has offered to assist their investigation with some Justice Department people who can keep ^{him} ~~be~~ and Bell advised of the thrust and scope of the investigation.

Our Problems

As best I can determine, we have two problems. First, we have got to deal with the issue of Griffin. It will be impossible for Jay or anyone else to function effectively as Administrator as long as Griffin is there. Also, Griffin's mere presence at GSA during the investigation

will stifle the investigation.

I asked Jay what alternatives he thought we had. He said that we could do several things: 1) appoint Griffin to some other position in government; 2) fire Griffin's two henchmen who Jay describes as being the source of most problems and in this way let everyone in GSA know that Bob Griffin's real power has been diminished; 3) ask Griffin to retire - he is eligible for full retirement; and 4) fire him outright for unspecified reasons.

Option one makes no sense; option two would be ineffective; and options three and four should be pursued in a way that does the least amount of damage to our relationship with the Speaker. I had originally suggested that we get Judge Bell to go see the Speaker and offer him some good advice about Griffin's problems. On reflection that is not a viable option because there is no legal basis for Judge Bell carrying such a message. The most you could say is that Griffin at some future date for some unspecified charge might be an embarrassment to the Speaker.

I would suggest that we authorize Jay to proceed to seek his voluntary resignation. If Griffin balks or refuses, then he can fire him. Prior to that happening, someone should go to the Speaker and say basically this:

"President Carter put Bob Griffin in the number two spot on your recommendation and because of his friendship for you. It is obvious now that the situation and relationship between Solomon and Griffin will not work out. We know you don't think much of Solomon but he is out man and he has the President's confidence and support. To boot, there are newspaper stories and investigations already underway that tie Griffin to some of the allegations. We have no way of knowing if any of this is true, but it is going to get messy and hurt both you and the President if some action on our part is not taken. The President would like for Griffin to offer his voluntary resignation. The President will accept it and make a positive statement about Griffin's service at GSA. If Griffin refuses to retire, then the President will direct Jay to fire him.

We can't have two men trying to run GSA and the fact is that Bob Griffin, though well-intentioned, has not been loyal to Jay and his policies".

In proposing this scenario, I am mindful of your comment that you needed Kirbo or a Kirbo type to work on big and messy problems like this. I don't think that Kirbo has the relationship with the Speaker that he has with Russell Long, Jackson and others. Possibly he can be used. Otherwise, either you or Frank will have to do this. Probably Frank would be best although I hate for the fallout from this to damage Frank's strong personal relationship with the Speaker. There is no way to estimate how very much this could hurt us. You recall how important it was to the Speaker to have Griffin in this position - there is a great potential for the Speaker to become so personally angry that it spills over onto our programs and legislation before the Congress. Don't forget, during the next several weeks we have the Turkish arms embargo, the budget, energy and civil service reform to be dealt with in the House.

The second problem is Jay Solomon himself. He is a sweet and well-intentioned man who is devoted to you. He left the private sector at great personal sacrifice to come into government to help you make it run better. Fourteen months later, Jay finds himself in a messy political and personnel situation which he simply does not relish. He is unsure of himself and is not strong at dealing with the problems which face him. There is a real doubt in my mind that he will take the necessary actions internally to correct the abuses. It is going to take a strong, tough, son-of-a-bitch to see this investigation through. I simply am not sure that Jay can or will do it.

I asked Jay if he had the will and guts to see this through. He said that he would like to leave in about May of this next year and hopes that the major part of the investigation is behind him. We can think and talk about Jay's situation later, but I think we have to realize that he might not be up to it. If so, we would be doing Jay and ourselves a favor to get someone else in right

TO: PRESIDENT CARTER
FROM: HAMILTON JORDAN
RE: MEETING WITH SPEAKER

C
~~TOP SECRET FILE~~

Based on conversations with Jay Solomon and Frank last night and my own recollection of the events and circumstances, I thought I might outline the following chronology that includes some talking points and some other things that might be said to the Speaker.

- +That you put Bob Griffin in as Deputy solely on the Speaker's recommendation.
- +It caused a flap then, the resignation of Eckerd and his public accusation that the President was allowing the Speaker to run the GSA.
- +After that, you had trouble finding someone to come in and take over GSA because they knew that there deputy had already been selected. This is the only instance where you have insisted on naming the deputy before making a choice on the top man.
- +You finally talked Jay Solomon into leaving the private sector and coming into government. Just as Bob Griffin is the Speaker's close friend, Jay and his family are

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your close friends. He and his family were one of your earliest and most important supporters. He raised money for you, both of his children dropped out of college and worked fulltime on your campaign. His family gave two years of their life to your election.

+When you asked Jay to take the job, you told him positive things about Bob Griffin and that you thought Jay's management/business experience would complement Bob's experience and knowledge of GSA. You told Jay that you wanted him to make an extra effort to work with Griffin because of the Speaker.

+Over the course of the year, you continued to hear rumblings that Jay and Griffin were not getting along. It was never anything unflattering about Griffin's integrity or competence, but always that Griffin was running GSA and that Jay Solomon was only a figurehead.

+Solomon was becoming more and more frustrated. You and your staff asked him on a number of occasions when he complained about Griffin to try to work their problems out because of the fact that Bob Griffin was the Speaker's friend.

+Jay says that he talked with the Speaker several times (he thinks three) about the problems he and Bob were having. In each instance, the Speaker asked Jay to try to work things out.

+About a month or so ago, Jay Solomon sought an appointment with the President. He tells the President that he will have to choose between he and Griffin, that he cannot run GSA with Griffin there. At the same time the investigations of GSA abuses had started, and it was obvious to Jay and his prosecutor that as a result of the investigation that a number of personnel and administrative actions would have to be taken. Jay felt like he did not have the clout or the image to make the necessary changes as the word at GSA was that "Bob Griffin in the boss - Solomon is just a figurehead".

+Because of Jay's visit and threat to resign, you were concerned about several things: loyalty to Jay who was your friend who had left a rich business to come into government; the public spectacle and bad press that would come from a second Administrator's resignation based on Bob Griffin's presence at GSA; cleaning up the mess at GSA and being sure that Jay had the authority to do it; and the management problem which existed and was getting worse.

+At this point you asked the Justice Department to give you a report on the GSA corruption investigation and their analysis of the situation there. Their analysis was that corruption in GSA was historic and widespread and that the Administrator was going to have to take a range of disciplinary and administrative actions.

+Over the past several weeks, Solomon continued to push for some answer from the President as to whether we would support him or should he resign. As President, you had to choose between Solomon and Griffin. You decided to back your friend Solomon just as the Speaker in a similar situation would have backed Griffin, his friend.

+You decided to write a directive to GSA giving Solomon the public support he needed to proceed with the investigation and take the necessary actions.

+You did not make the final decision to allow Jay to dismiss Griffin until Wednesday of this week based on the information given you by Solomon and his problems at GSA. At the same time you made the decision, you called Frank Moore in and asked him to see you and explain our action. Frank left immediately for the Hill, called in later to report that GSA was already leaking stories and that the Speaker was not back from ~~Washington~~ ^{DC}. You expected after Frank talked with the Speaker that he would want to see you and that you would have a chance to fully explain your position.

+The story Thursday morning which was leaked by GSA was embarrassing to you and you know to the Speaker as you had not had time to discuss this with him before it surfaced publicly.

+That if you had to make the same decision over again, you would have made the same one, but before letting Solomon know, you would have called the Speaker first.

A few other thoughts and points.

+We need to let the Speaker direct as much of his anger as possible at Solomon.

+Without misleading the Speaker, you should limit Frank's involvement to that of relaying the message. Also, that Frank told the President that the Speaker would be very unhappy. As it stands now, the Speaker thinks that Frank was a part of the plot to get rid of Griffin. Frank went to a meeting on it, but was not involved.

+You had taken Tip's recommendations on a number of people - this one simply didn't work out because of the personality conflict between Jay and Bob Griffin. (Appointed Charlie Ferris Chairman of FCC on Speaker's recommendation.)

+Couldn't let the fact that there was an investigation underway and the possibility of Griffin being implicated by this dismissal keep you from supporting Solomon in the showdown.